Selected Acquisition Report (SAR)

RCS: DD-A&T(Q&A)823-560

JPATS

As of December 31, 2011

Defense Acquisition Management
Information Retrieval
(DAMIR)

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Program Information

Designation And Nomenclature (Popular Name)

Joint Primary Aircraft Training System (JPATS)

DoD Component

Air Force

Joint Participants

United States Air Force; United States Navy

Responsible Office

Responsible Office

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Date Assigned February 15, 2011

References

SAR Baseline (Production Estimate)

Air Force Acquisition Executive (AFAE) Approved Acquisition Program Baseline (APB) dated February 28, 2002

Approved APB

Air Force Acquisition Executive (AFAE) Approved Acquisition Program Baseline (APB) dated September 26, 2007

Mission and Description

The Joint Primary Aircraft Training System (JPATS) is a United States Air Force (USAF)/United States Navy (USN) program to replace USAF's T-37B aircraft, USN's T-34C aircraft, and the associated Ground Based Training Systems (GBTS). The aircraft and GBTS are being used to train entry-level students in the fundamentals of flying so they can transition into advanced training tracks leading to rated qualification.

The program represents a systems approach to aviator training requiring the purchase of air vehicles (750 production units), aircrew training devices (126), associated ground based training devices, an integrated training management system (TIMS), instructional courseware, as well as the entire logistics and sustainment of the training system which includes contractor logistics support (CLS).

The USAF will train at six bases and the USN at three bases. Each operational training location will be equipped with a full complement of operational flight trainers, instrument flight trainers, unit training devices and egress training devices. Courseware has been developed for the T-6A and converted from existing courseware for other platforms where appropriate. The TIMS will provide a training and scheduling management capability which will tie the efforts and activities of all Air Education and Training Command (AETC) and Chief of Naval Air Training operating locations together.

The USAF will have CLS for most of the off-aircraft equipment maintenance. The on-aircraft equipment maintenance will be performed by third party contractor or organically supported. The USN will employ total CLS for the entire aircraft. The GBTS will be a total CLS effort for both services.

Executive Summary

JPATS is meeting requirements in the field. As of December 31, 2011, the contractor was 13 aircraft ahead of schedule and Aircrew Training Devices (ATD) are meeting the delivery schedule.

Significant events in 2011 include realization of the FY 2011 Navy procurement funding mark, continuing business without rate agreements at Hawker Beechcraft, and addressing technical issues with the ejection seat, an in-flight control stick fracture, the engine and nose wheel shimmy. Also, the Hawker Beechcraft government business unit formally changed their name to Hawker Beechcraft Defense Company (HBDC).

Production line efforts for Lot 17 (FY 2010 funding) began, without a contract award, in March 2010 at HBDC risk (planned award March 2010, delivery beginning January 2012). HBDC decided to proceed at risk in order to avoid a production line shutdown and supplier interruption. In September 2010, a Congressional mark on Lot 18 FY 2011 funding (due to contracting delays) removed the ability for Lot 18 to be funded on schedule (planned award March 2011). Again, HBDC decided to proceed at risk and also extended their pricing through the end of 2011 to facilitate the use of FY 2012 funding for Lot 18. Due to Continuing Resolution Authority (CRA) and the budget distribution process, HBDC further extended their price validity to February 29, 2012 and award was completed January 19, 2012. The overall result is that the time between lot funding and aircraft delivery has been reduced from 22 to 12 months. However, HBDC long lead time remains the same, placing them at 10-12 months of financial risk for each remaining production year (2012 through 2014). The 2013 Presidents Budget included funding to buy back Lot 18 aircraft, replacing them over two years, FY 2013 and FY 2014. In FY 2011 the Navy realized a Congressional mark due to contracting delays, eliminating funding for 38 Navy T-6B's, with $22.6M remaining in Navy Procurement funds. The Navy included funding in the FY 2013 President's Budget to buy-back the 38 aircraft in FY 2013 and FY 2014. HBDC proceeded at risk to maintain the production schedule and FY 2012 funding was awarded to procure 36 aircraft in January 2012.

In 2010, HBDC removed Lots 19-20 from negotiations due to a corporate cost savings initiative that undermined their original cost proposal. The updated proposal for Lots 19-20 is due in March 2012 and will be funded with FY 2013 and FY 2014 appropriations.

Since mid 2010, changes at HBDC due to cost savings initiatives, as well as changing potential for Foreign Military Sales, complicated their ability to produce an adequate pricing rate proposal. HBDC pulled out of their last Forward Pricing Rate Agreement (FPRA) in December 2010 and have not yet come to an agreement with Defense Contract Management Agency (DCMA). The latest proposal was submitted to DCMA on January 24, 2012 and is in review. This impacts and delays several contracting efforts, adding time and work to the overall process as well as adding risk to the program funding and schedule.

In November 2010, HBDC informed the JPATS office that the latest lot of ejection seat propellant cartridges did not pass acceptance testing, failing the low temperature test. Throughout 2011, the program office took interim steps to mitigate this issue including using higher temperature cartridges under a deviation and utilizing sustainment cartridges until a new design is complete. The new design was scheduled to be delivered in December 2011 but technical issues will delay deliveries until May 2012.

On September 13, 2011, a Sheppard AFB aircraft experienced an in-flight emergency caused by the fracture of the aft stick control assembly housing, resulting in loss of aileron control in the front cockpit and loss of pitch control in the aft cockpit; ultimately the crew was able to land safely. Post flight analysis revealed that the front cockpit stick had a crack, as well as one other aircraft that was spot inspected. Based on the findings, all Navy/Air Force aircraft were grounded until they successfully passed inspection on the control sticks. A second set of inspections is now underway and the root cause determination is in work with HBDC, the program office, and the Air Force Research Lab.

High Pressure Fuel Pump (HPFP) failure investigations were resolved with part changes, new periodic inspections, and changes to the engine overhaul manual.

The Propeller Sleeve Touchdown (PSTD) Phase 0 engine upgrades concluded in December 2011, finally removing the susceptible parts from service. Overall, 449 engines were upgraded to the Phase1/Phase 2 configuration and none of the new configuration have experienced a PSTD event.

HBDC received Federal Aviation Administration (FAA) certification in September 2011 for the nose wheel shimmy friction collar and the acquisition process is underway to procure parts and begin retrofits.

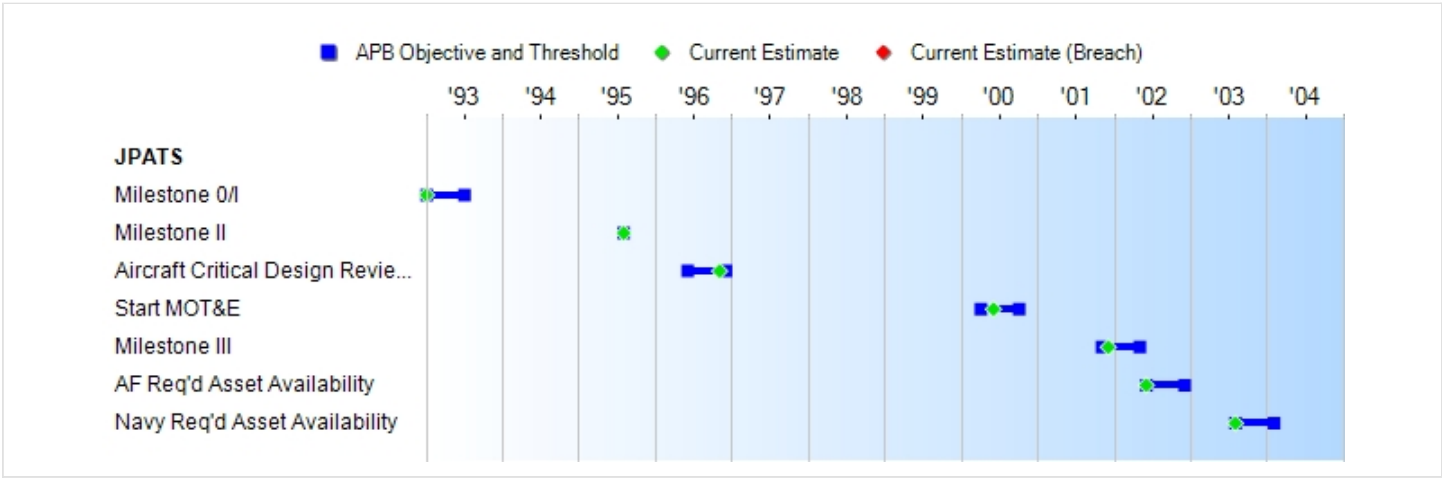
There are no significant software-related issues with this program at this time.

Threshold Breaches

APB Breaches		
Schedule		☐
Performance		☐
Cost	RDT&E	☐
	Procurement	☐
	MILCON	☐
	Acq O&M	☐
Unit Cost	PAUC	☐
	APUC	☐

Nunn-McCurdy Breaches		
Current UCR Baseline		
	PAUC	None
	APUC	None
Original UCR Baseline		
	PAUC	None
	APUC	None

Schedule



Milestones	SAR Baseline Prod Est	Current APB Production Objective/Threshold		Current Estimate
Milestone 0/I	JAN 1993	JAN 1993	JUL 1993	JAN 1993
Milestone II	AUG 1995	AUG 1995	AUG 1995	AUG 1995
Aircraft Critical Design Review (CDR)	JUN 1996	JUN 1996	DEC 1996	NOV 1996
Start MOT&E	APR 2000	APR 2000	OCT 2000	JUN 2000
Milestone III	NOV 2001	NOV 2001	MAY 2002	DEC 2001
AF Req'd Asset Availability	JUN 2002	JUN 2002	DEC 2002	JUN 2002
Navy Req'd Asset Availability	AUG 2003	AUG 2003	FEB 2004	AUG 2003

Acronyms And Abbreviations

AF - Air Force
MOT&E - Multi-Service Operational Test and Evaluation
Req'd - Required

Change Explanations

None

Performance

Characteristics	SAR Baseline Prod Est	Current APB Production Objective/Threshold		Demonstrated Performance	Current Estimate
Syllabus Maneuvers Mission Profiles (Contact, Familiarization, Precision Aerobatics, Instrument, and Navigation -High and Low)	Accomplish all five mission profiles	Accomplish all five mission profiles	Accomplish all five mission profiles	Demon-strated all five mission profiles	Demonstrat-ed all five mission profiles
Sustained Speed at 1000 ft MSL, hot day (KTAS)	270	270	250 (270 Dash)	250 (270 Dash)	250 (270 Dash)
Operational G Envelope (Gs)	+7 to -3 symmetric	+7 to -3 symmetric	+6 to -3 symmetric; +4 to 0 asymmetric	+7 to -3.5 symmetric +4.0 to 0 asymmetric	+7 to -3.5 symmetric +4.0 to 0 asymmetric
Pressurization (PSI Differential)	5.0	5.0	3.5	3.5	3.5
Bird Strike Capability (4 lb bird, no catastropic damage) (KTAS)	Max Low Level Airspeed	Max Low Level Airspeed	270	270	270
Ejection Seat with Survival Kit (Altitude/Airspeed in Knots)	0/0	0/0	0/60	0/0	0/0
Able To Perform an Engine Out Landing	Unprepared surface	Unprepared surface	Runway	Runway	Runway
Anthropometric Accommodation (Sitting Height in inches)	31.0 to 40.0	31.0 to 40.0	32.8 to 40.0	31.0 to 40.0	31.0 to 40.0
Cockpit Configuration	Interchange-able Instructor/ Student	Interchange-able Instructor/ Student	Yes	Interchange-able Instructor/Stu-den	Interchange-able Instructor/Stu-dent
Cockpit Seating Configuration	0 Degree Over-the-Nose Visibility from the Rear Cockpit at Design Eye Height	0 Degree Over-the-Nose Visibility from the Rear Cockpit at Design Eye Height	Stepped Tandem	Stepped Tandem	Stepped Tandem
Exterior Noise	FAR Part 36, Most	FAR Part 36, Most	FAR Part 36, Most	FAR Part 36, Most	FAR Part 36, Most

	Restrictive Applicable Standard	Restrictive Applicable Standard	Restrictive Applicable Standard	Restrictive Applicable Standard	Restrictive Applicable Standard
Takeoffs/Touch & Go/Land (Wx, Weight, Configuration) at Main Operating Bases (Runway Length - FT)	4000	4000	5000	4000	4000
IFR Certified Instrumentation	All Digital except Backups	All Digital except Backups	IFR Certified (Selectable EADI/EHSI)	IFR Certified (Select-able EADI/EHSI)	IFR Certified (Select-able EADI/EHSI)
Visual System For IFT/OFT	Yes	Yes	Provide a visual field of view commens-urate with the JPPT syllabus training requirements	Provide a visual field of view commens-urate with the JPPT syllabus training requirements	Provide a visual field of view commens-urate with the JPPT syllabus training requirements

Requirements Source: Operational Requirements Document (ORD), ORD III 005-88-III, dated April 1, 2000.

Acronyms And Abbreviations

EADI - Electronic Attitude/Directional Indicator
EHSI - Electronic Horizontal Situation Indicator
FAR - Federal Aviation Regulation
FT - Feet
G - Gravitational Acceleration
IFR - Instrument Flight Rules
IFT - Instrument Flight Trainer
JPPT - Joint Primary Pilot Training
KTAS - Knots True Airspeed
lb - Pound
MSL - Mean Sea Level
OFT - Operational Flight Trainer
PSI - Pounds Per Square Inch
Wx - Weather

Change Explanations

None

Memo

Demonstrated performance for JPATS meets all Key Performance Parameters.

Track To Budget

RDT&E				
APPN 1319	BA 05	PE 0603208N	(Navy)	
		Training System Aircraft		(Sunk)
APPN 3600	BA 05	PE 0604233F	(Air Force)	
	Project 4102	Specialized Undergraduate Pilot Training	(Shared)	
Procurement				
APPN 1506	BA 03	PE 0804745N	(Navy)	
	ICN 033900	Undergraduate Pilot Training		
APPN 1506	BA 05	PE 0804745N	(Navy)	
	ICN 057100	Undergraduate Pilot Training		
APPN 1506	BA 06	PE 0804745N	(Navy)	
	ICN 060500	Undergraduate Pilot Training	(Shared)	
APPN 3010	BA 06	PE 0804740F	(Air Force)	
	ICN 000999	T-6	(Shared)	
APPN 3010	BA 05	PE 0804740F	(Air Force)	
	ICN JPAT00	AETC Aircraft Systems Modification	(Shared)	
APPN 3010	BA 03	PE 0804740F	(Air Force)	
	ICN JPATS0	New AETC Aircraft Systems		(Sunk)
MILCON				
APPN 1205		PE 0212176N	(Navy)	
	Project N1000203 (Sunk)	Operational Facilities for T-6		

	Project N1000205 (Sunk)	T-6 Outlying Landing Field	
APPN 1205		PE 0805796N	(Navy)
	(Sunk)	Base Operations, Training	
APPN 3300		PE 0804741F	(Air Force)
	(Sunk)	Undergraduate Pilot Training	
	Project 05000212 (Sunk)	Columbus T-6 Parts Warehouse	
	Project 06VNVP01 (Sunk)	T-6 Combs Warehouse	

Cost and Funding

Cost Summary

Total Acquisition Cost and Quantity

	BY2002 $M			BY2002 $M	TY $M		
Appropriation	SAR Baseline Prod Est	Current APB Production Objective/Threshold		Current Estimate	SAR Baseline Prod Est	Current APB Production Objective	Current Estimate
RDT&E	289.2	302.4	332.6	308.4	275.5	293.3	300.8
Procurement	4177.1	4512.4	4963.6	4362.3	4699.2	5139.0	4924.6
Flyaway	3277.3	--	--	3499.6	3700.1	--	3961.3
Recurring	3250.4	--	--	3447.7	3666.2	--	3896.3
Non Recurring	26.9	--	--	51.9	33.9	--	65.0
Support	899.8	--	--	862.7	999.1	--	963.3
Other Support	776.6	--	--	625.2	860.7	--	701.3
Initial Spares	123.2	--	--	237.5	138.4	--	262.0
MILCON	62.7	103.8	114.2	96.2	66.4	120.5	110.5
Acq O&M	0.0	0.0	--	0.0	0.0	0.0	0.0
Total	4529.0	4918.6	N/A	4766.9	5041.1	5552.8	5335.9

Quantity	SAR Baseline Prod Est	Current APB Production	Current Estimate
RDT&E	1	1	1
Procurement	782	767	749
Total	783	768	750

Cost and Funding

Funding Summary

Appropriation and Quantity Summary
FY2013 President's Budget / December 2011 SAR (TY$ M)

Appropriation	Prior	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	To Complete	Total
RDT&E	286.8	4.7	2.3	2.3	2.3	2.4	0.0	0.0	300.8
Procurement	3976.0	281.7	303.3	314.5	30.9	15.5	2.7	0.0	4924.6
MILCON	110.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	110.5
Acq O&M	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PB 2013 Total	4373.3	286.4	305.6	316.8	33.2	17.9	2.7	0.0	5335.9
PB 2012 Total	4647.3	297.4	258.2	30.8	17.6	17.9	0.0	0.0	5269.2
Delta	-274.0	-11.0	47.4	286.0	15.6	0.0	2.7	0.0	66.7

Quantity	Undistributed	Prior	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	To Complete	Total
Development	1	0	0	0	0	0	0	0	0	1
Production	0	649	36	33	31	0	0	0	0	749
PB 2013 Total	1	649	36	33	31	0	0	0	0	750
PB 2012 Total	1	687	36	24	0	0	0	0	0	748
Delta	0	-38	0	9	31	0	0	0	0	2

Cost and Funding

Annual Funding By Appropriation

Annual Funding TY$
1319 | RDT&E | Research, Development, Test, and Evaluation, Navy

Fiscal Year	Quantity	End Item Recurring Flyaway TY $M	Non End Item Recurring Flyaway TY $M	Non Recurring Flyaway TY $M	Total Flyaway TY $M	Total Support TY $M	Total Program TY $M
1994	--	--	--	--	--	--	3.6
1995	--	--	--	--	--	--	3.7
1996	--	--	--	--	--	--	1.1
1997	--	--	--	--	--	--	1.7
1998	--	--	--	--	--	--	0.3
1999	--	--	--	--	--	--	0.6
2000	--	--	--	--	--	--	0.3
Subtotal	**--**	**--**	**--**	**--**	**--**	**--**	**11.3**

Annual Funding BY$
1319 | RDT&E | Research, Development, Test, and Evaluation, Navy

Fiscal Year	Quantity	End Item Recurring Flyaway BY 2002 $M	Non End Item Recurring Flyaway BY 2002 $M	Non Recurring Flyaway BY 2002 $M	Total Flyaway BY 2002 $M	Total Support BY 2002 $M	Total Program BY 2002 $M
1994	--	--	--	--	--	--	4.0
1995	--	--	--	--	--	--	4.0
1996	--	--	--	--	--	--	1.2
1997	--	--	--	--	--	--	1.8
1998	--	--	--	--	--	--	0.3
1999	--	--	--	--	--	--	0.6
2000	--	--	--	--	--	--	0.3
Subtotal	**--**	**--**	**--**	**--**	**--**	**--**	**12.2**

Annual Funding TY$
3600 | RDT&E | Research, Development, Test, and Evaluation, Air Force

Fiscal Year	Quantity	End Item Recurring Flyaway TY $M	Non End Item Recurring Flyaway TY $M	Non Recurring Flyaway TY $M	Total Flyaway TY $M	Total Support TY $M	Total Program TY $M
1992	--	--	--	--	--	--	0.9
1993	--	--	--	--	--	--	1.9
1994	--	--	--	--	--	--	2.6
1995	--	--	--	--	--	--	35.4
1996	--	--	--	--	--	--	27.1
1997	--	--	--	--	--	--	40.9
1998	--	--	--	--	--	--	49.4
1999	--	--	--	--	--	--	38.3
2000	--	--	--	--	--	--	36.4
2001	--	--	--	--	--	--	23.8
2002	--	--	--	--	--	--	1.8
2003	--	--	--	--	--	--	1.8
2004	--	--	--	--	--	--	1.8
2005	--	--	--	--	--	--	1.6
2006	--	--	--	--	--	--	1.6
2007	--	--	--	--	--	--	2.5
2008	--	--	--	--	--	--	2.0
2009	--	--	--	--	--	--	2.2
2010	--	--	--	--	--	--	1.4
2011	--	--	--	--	--	--	2.1
2012	--	--	--	--	--	--	4.7
2013	--	--	--	--	--	--	2.3
2014	--	--	--	--	--	--	2.3
2015	--	--	--	--	--	--	2.3
2016	--	--	--	--	--	--	2.4
Subtotal	**1**	**--**	**--**	**--**	**--**	**--**	**289.5**

Annual Funding BY$
3600 | RDT&E | Research, Development, Test, and Evaluation, Air Force

Fiscal Year	Quantity	End Item Recurring Flyaway BY 2002 $M	Non End Item Recurring Flyaway BY 2002 $M	Non Recurring Flyaway BY 2002 $M	Total Flyaway BY 2002 $M	Total Support BY 2002 $M	Total Program BY 2002 $M
1992	--	--	--	--	--	--	1.0
1993	--	--	--	--	--	--	2.1
1994	--	--	--	--	--	--	2.9
1995	--	--	--	--	--	--	38.4
1996	--	--	--	--	--	--	28.8
1997	--	--	--	--	--	--	43.0
1998	--	--	--	--	--	--	51.6
1999	--	--	--	--	--	--	39.6
2000	--	--	--	--	--	--	37.0
2001	--	--	--	--	--	--	23.9
2002	--	--	--	--	--	--	1.8
2003	--	--	--	--	--	--	1.8
2004	--	--	--	--	--	--	1.7
2005	--	--	--	--	--	--	1.5
2006	--	--	--	--	--	--	1.4
2007	--	--	--	--	--	--	2.2
2008	--	--	--	--	--	--	1.7
2009	--	--	--	--	--	--	1.9
2010	--	--	--	--	--	--	1.2
2011	--	--	--	--	--	--	1.7
2012	--	--	--	--	--	--	3.8
2013	--	--	--	--	--	--	1.8
2014	--	--	--	--	--	--	1.8
2015	--	--	--	--	--	--	1.8
2016	--	--	--	--	--	--	1.8
Subtotal	**1**	**--**	**--**	**--**	**--**	**--**	**296.2**

Annual Funding TY$
3010 | Procurement | Aircraft Procurement, Air Force

Fiscal Year	Quantity	End Item Recurring Flyaway TY $M	Non End Item Recurring Flyaway TY $M	Non Recurring Flyaway TY $M	Total Flyaway TY $M	Total Support TY $M	Total Program TY $M
1995	9	59.9	--	--	59.9	20.6	80.5
1996	4	13.7	--	--	13.7	1.2	14.9
1997	11	37.7	--	--	37.7	22.7	60.4
1998	22	65.2	--	--	65.2	6.7	71.9
1999	22	76.7	--	--	76.7	31.1	107.8
2000	29	71.7	--	--	71.7	35.7	107.4
2001	34	101.7	--	--	101.7	37.8	139.5
2002	40	178.2	--	--	178.2	40.8	219.0
2003	35	171.0	--	--	171.0	64.1	235.1
2004	52	220.5	--	--	220.5	61.7	282.2
2005	53	270.1	--	--	270.1	40.8	310.9
2006	54	290.6	--	--	290.6	43.5	334.1
2007	48	238.5	--	--	238.5	90.9	329.4
2008	39	208.4	--	--	208.4	31.7	240.1
2009	--	7.5	--	--	7.5	34.2	41.7
2010	--	17.4	1.3	--	18.7	17.2	35.9
2011	--	30.9	3.1	--	34.0	0.5	34.5
2012	--	12.0	3.1	--	15.1	1.9	17.0
2013	--	13.2	2.2	--	15.4	--	15.4
2014	--	7.8	2.3	--	10.1	0.8	10.9
2015	--	10.2	2.3	--	12.5	0.8	13.3
2016	--	9.4	3.4	--	12.8	0.9	13.7
2017	--	0.9	--	--	0.9	--	0.9
Subtotal	**452**	**2113.2**	**17.7**	**--**	**2130.9**	**585.6**	**2716.5**

Annual Funding BY$
3010 | Procurement | Aircraft Procurement, Air Force

Fiscal Year	Quantity	End Item Recurring Flyaway BY 2002 $M	Non End Item Recurring Flyaway BY 2002 $M	Non Recurring Flyaway BY 2002 $M	Total Flyaway BY 2002 $M	Total Support BY 2002 $M	Total Program BY 2002 $M
1995	9	63.5	--	--	63.5	21.8	85.3
1996	4	14.3	--	--	14.3	1.3	15.6
1997	11	39.1	--	--	39.1	23.5	62.6
1998	22	67.1	--	--	67.1	6.9	74.0
1999	22	78.1	--	--	78.1	31.7	109.8
2000	29	71.9	--	--	71.9	35.8	107.7
2001	34	101.0	--	--	101.0	37.5	138.5
2002	40	174.8	--	--	174.8	40.0	214.8
2003	35	165.0	--	--	165.0	61.9	226.9
2004	52	207.3	--	--	207.3	58.0	265.3
2005	53	246.8	--	--	246.8	37.2	284.0
2006	54	258.6	--	--	258.6	38.7	297.3
2007	48	206.7	--	--	206.7	78.8	285.5
2008	39	177.8	--	--	177.8	27.0	204.8
2009	--	6.3	--	--	6.3	28.7	35.0
2010	--	14.3	1.1	--	15.4	14.1	29.5
2011	--	25.0	2.5	--	27.5	0.4	27.9
2012	--	9.5	2.5	--	12.0	1.5	13.5
2013	--	10.3	1.7	--	12.0	--	12.0
2014	--	6.0	1.8	--	7.8	0.6	8.4
2015	--	7.7	1.7	--	9.4	0.6	10.0
2016	--	7.0	2.4	--	9.4	0.7	10.1
2017	--	0.7	--	--	0.7	--	0.7
Subtotal	**452**	**1958.8**	**13.7**	**--**	**1972.5**	**546.7**	**2519.2**

Cost Quantity Information
3010 | Procurement | Aircraft Procurement, Air Force

Fiscal Year	Quantity	End Item Recurring Flyaway (Aligned with Quantity) BY 2002 $M
1995	9	65.8
1996	4	15.3
1997	11	41.9
1998	22	72.6
1999	22	83.5
2000	29	78.9
2001	34	109.2
2002	40	184.3
2003	35	173.2
2004	52	219.1
2005	53	257.2
2006	54	265.2
2007	48	211.8
2008	39	180.8
2009	--	--
2010	--	--
2011	--	--
2012	--	--
2013	--	--
2014	--	--
2015	--	--
2016	--	--
2017	--	--
Subtotal	**452**	**1958.8**

Annual Funding TY$
1506 | Procurement | Aircraft Procurement, Navy

Fiscal Year	Quantity	End Item Recurring Flyaway TY $M	Non End Item Recurring Flyaway TY $M	Non Recurring Flyaway TY $M	Total Flyaway TY $M	Total Support TY $M	Total Program TY $M
2000	12	44.1	--	--	44.1	14.5	58.6
2001	24	77.0	--	--	77.0	3.6	80.6
2002	7	34.6	--	0.1	34.7	4.1	38.8
2003	4	18.8	--	0.1	18.9	10.6	29.5
2004	2	8.5	--	0.2	8.7	14.3	23.0
2005	3	13.2	--	0.2	13.4	4.7	18.1
2006	2	11.8	--	5.5	17.3	4.8	22.1
2007	20	118.7	--	3.8	122.5	30.2	152.7
2008	44	262.1	--	0.1	262.2	43.6	305.8
2009	43	254.0	--	2.4	256.4	47.6	304.0
2010	36	218.2	--	4.6	222.8	46.8	269.6
2011	--	1.8	--	2.4	4.2	23.7	27.9
2012	36	225.0	--	5.9	230.9	33.8	264.7
2013	33	241.7	--	12.2	253.9	34.0	287.9
2014	31	230.7	--	11.5	242.2	61.4	303.6
2015	--	1.6	--	16.0	17.6	--	17.6
2016	--	1.8	--	--	1.8	--	1.8
2017	--	1.8	--	--	1.8	--	1.8
Subtotal	**297**	**1765.4**	**--**	**65.0**	**1830.4**	**377.7**	**2208.1**

Annual Funding BY$
1506 | Procurement | Aircraft Procurement, Navy

Fiscal Year	Quantity	End Item Recurring Flyaway BY 2002 $M	Non End Item Recurring Flyaway BY 2002 $M	Non Recurring Flyaway BY 2002 $M	Total Flyaway BY 2002 $M	Total Support BY 2002 $M	Total Program BY 2002 $M
2000	12	44.3	--	--	44.3	14.6	58.9
2001	24	76.4	--	--	76.4	3.6	80.0
2002	7	33.9	--	0.1	34.0	4.0	38.0
2003	4	18.1	--	0.1	18.2	10.1	28.3
2004	2	8.0	--	0.2	8.2	13.3	21.5
2005	3	12.0	--	0.2	12.2	4.3	16.5
2006	2	10.5	--	4.9	15.4	4.2	19.6
2007	20	102.8	--	3.3	106.1	26.1	132.2
2008	44	223.5	--	0.1	223.6	37.2	260.8
2009	43	213.6	--	2.0	215.6	40.1	255.7
2010	36	180.2	--	3.8	184.0	38.6	222.6
2011	--	1.5	--	1.9	3.4	19.2	22.6
2012	36	179.4	--	4.7	184.1	26.9	211.0
2013	33	189.5	--	9.6	199.1	26.6	225.7
2014	31	177.7	--	8.9	186.6	47.2	233.8
2015	--	1.2	--	12.1	13.3	--	13.3
2016	--	1.3	--	--	1.3	--	1.3
2017	--	1.3	--	--	1.3	--	1.3
Subtotal	**297**	**1475.2**	**--**	**51.9**	**1527.1**	**316.0**	**1843.1**

The right-shift of lot funding will continue for all subsequent lots until production is complete, effectively requiring 12 months of long-lead risk for Hawker Beechcraft Defence Corporation (HBDC) in order to maintain the production schedule and avoid a break.

Cost Quantity Information
1506 | Procurement | Aircraft Procurement, Navy

Fiscal Year	Quantity	End Item Recurring Flyaway (Aligned with Quantity) BY 2002 $M
2000	12	44.5
2001	24	76.9
2002	7	34.0
2003	4	18.2
2004	2	8.0
2005	3	12.1
2006	2	10.5
2007	20	103.1
2008	44	224.3
2009	43	214.4
2010	36	180.7
2011	--	--
2012	36	179.6
2013	33	190.1
2014	31	178.8
2015	--	--
2016	--	--
2017	--	--
Subtotal	**297**	**1475.2**

Annual Funding TY$
3300 | MILCON | Military Construction, Air Force

Fiscal Year	Total Program TY $M
1998	2.5
1999	3.3
2000	3.2
2001	--
2002	--
2003	6.0
2004	2.2
2005	--
2006	3.0
Subtotal	**20.2**

Annual Funding BY$
3300 | MILCON | Military Construction, Air Force

Fiscal Year	Total Program BY 2002 $M
1998	2.6
1999	3.4
2000	3.2
2001	--
2002	--
2003	5.7
2004	2.0
2005	--
2006	2.6
Subtotal	**19.5**

Annual Funding TY$
1205 | MILCON | Military Construction, Navy and Marine Corps

Fiscal Year	Total Program TY $M
1998	1.4
1999	1.4
2000	5.2
2001	5.4
2002	--
2003	--
2004	--
2005	--
2006	--
2007	--
2008	23.9
2009	--
2010	23.9
2011	29.1
Subtotal	**90.3**

Annual Funding BY$
1205 | MILCON | Military Construction, Navy and Marine Corps

Fiscal Year	Total Program BY 2002 $M
1998	1.4
1999	1.4
2000	5.2
2001	5.4
2002	--
2003	--
2004	--
2005	--
2006	--
2007	--
2008	20.3
2009	--
2010	19.6
2011	23.4
Subtotal	**76.7**

Low Rate Initial Production

	Initial LRIP Decision	Current Total LRIP
Approval Date	8/9/1995	2/21/2001
Approved Quantity	108	170
Reference	ADM	ADM
Start Year	1996	1996
End Year	2000	2004

Low Rate Initial Production (LRIP) is greater than 10% of the total procurement buy. LRIP for 108 aircraft was included in Acquisition Decision Memorandum (ADM) dated August 9, 1995. LRIP quantity increased to 170 aircraft in ADM dated February 21, 2001 to ensure maintenance of efficient manufacturing capability.

Foreign Military Sales

Country	Date of Sale	Quantity	Total Cost $M	Memo
Iraq	6/23/2009	7	100.0	The Letter of Offer and Acceptance (LOA) signed June 23, 2009 is Foreign Military Sales (FMS) Case # (E4-D-SBU) using Iraq Special Forces Fund FY 2009 appropriated funds for seven T-6A aircraft. All aircraft have been delivered.
Iraq	5/20/2009	8	110.0	The LOA signed May 20, 2009 for eight T-6A aircraft is FMS Case # (IQ-D-SAD) using Iraqi country funds. All aircraft have been delivered.
Israel	9/11/2008	20	153.6	The LOA signed September 11, 2008 is FMS Case # (IS-D-SAB), all aircraft have been delivered. Letter of Request (LOR) received December 20, 2010 requesting the procurement of one additional aircraft.
Morocco	6/18/2008	24	205.9	The LOA signed June 18, 2008 is FMS Case # (MO-D-SAB) for 24 T-6C aircraft. To date, 24 aircraft have been delivered.

The Iraq LOA was split in two to accommodate reduced Iraq funds availability.

Nuclear Cost

None

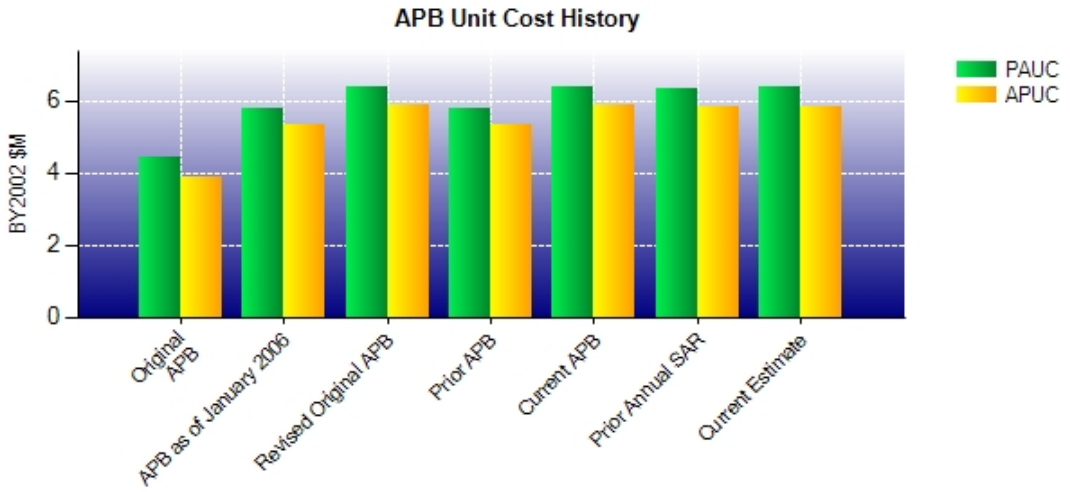
Unit Cost

Unit Cost Report

Unit Cost	BY2002 $M Current UCR Baseline (SEP 2007 APB)	BY2002 $M Current Estimate (DEC 2011 SAR)	BY % Change
Program Acquisition Unit Cost (PAUC)			
Cost	4918.6	4766.9	
Quantity	768	750	
Unit Cost	6.404	6.356	-0.75
Average Procurement Unit Cost (APUC)			
Cost	4512.4	4362.3	
Quantity	767	749	
Unit Cost	5.883	5.824	-1.00

Unit Cost	BY2002 $M Revised Original UCR Baseline (SEP 2007 APB)	BY2002 $M Current Estimate (DEC 2011 SAR)	BY % Change
Program Acquisition Unit Cost (PAUC)			
Cost	4918.6	4766.9	
Quantity	768	750	
Unit Cost	6.404	6.356	-0.75
Average Procurement Unit Cost (APUC)			
Cost	4512.4	4362.3	
Quantity	767	749	
Unit Cost	5.883	5.824	-1.00

Unit Cost History



		BY2002 $M		TY $M	
	Date	PAUC	APUC	PAUC	APUC
Original APB	AUG 1995	4.439	3.861	5.689	5.068
APB as of January 2006	FEB 2002	5.784	5.342	6.438	6.009
Revised Original APB	SEP 2007	6.404	5.883	7.230	6.700
Prior APB	FEB 2002	5.784	5.342	6.438	6.009
Current APB	SEP 2007	6.404	5.883	7.230	6.700
Prior Annual SAR	DEC 2010	6.341	5.806	7.044	6.503
Current Estimate	DEC 2011	6.356	5.824	7.115	6.575

SAR Unit Cost History

Initial SAR Baseline to Current SAR Baseline (TY $M)

Initial PAUC Dev Est	Changes								PAUC Prod Est
	Econ	Qty	Sch	Eng	Est	Oth	Spt	Total	
5.689	-0.750	-0.035	-0.155	0.000	1.550	0.000	0.139	0.749	6.438

Current SAR Baseline to Current Estimate (TY $M)

PAUC Prod Est	Changes								PAUC Current Est
	Econ	Qty	Sch	Eng	Est	Oth	Spt	Total	
6.438	0.013	0.067	0.093	0.568	-0.048	0.068	-0.085	0.677	7.115

Initial SAR Baseline to Current SAR Baseline (TY $M)

Initial APUC Dev Est	Changes								APUC Prod Est
	Econ	Qty	Sch	Eng	Est	Oth	Spt	Total	
5.068	-0.753	0.021	-0.151	0.000	1.680	0.000	0.144	0.941	6.009

Current SAR Baseline to Current Estimate (TY $M)

APUC Prod Est	Changes								APUC Current Est
	Econ	Qty	Sch	Eng	Est	Oth	Spt	Total	
6.009	0.012	0.048	0.094	0.555	-0.058	0.000	-0.085	0.566	6.575

SAR Baseline History

Item/Event	SAR Planning Estimate (PE)	SAR Development Estimate (DE)	SAR Production Estimate (PdE)	Current Estimate
Milestone I	N/A	JAN 1993	JAN 1993	JAN 1993
Milestone II	N/A	AUG 1995	AUG 1995	AUG 1995
Milestone III	N/A	SEP 1999	NOV 2001	DEC 2001
IOC	N/A	JUN 2002	N/A	JUN 2002
Total Cost (TY $M)	N/A	4050.6	5041.1	5335.9
Total Quantity	N/A	712	783	750
Prog. Acq. Unit Cost (PAUC)	N/A	5.689	6.438	7.115

Initial Operational Capability (IOC) is equal to Air Force Required Assets Available (RAA) and occurred June 2002.

IOC is equal to United States Navy RAA and occurred August 2003.

Cost Variance

Cost Variance Summary

Summary Then Year $M				
	RDT&E	Proc	MILCON	Total
SAR Baseline (Prod Est)	275.5	4699.2	66.4	5041.1
Previous Changes				
Economic	+1.4	-9.0	-2.0	-9.6
Quantity	--	-172.3	--	-172.3
Schedule	--	+59.5	--	+59.5
Engineering	+10.3	+413.9	--	+424.2
Estimating	+13.7	-63.6	-4.9	-54.8
Other	--	--	+51.0	+51.0
Support	--	-69.9	--	-69.9
Subtotal	+25.4	+158.6	+44.1	+228.1
Current Changes				
Economic	+0.2	+17.9	+1.0	+19.1
Quantity	--	+10.0	--	+10.0
Schedule	--	+10.6	--	+10.6
Engineering	--	+1.8	--	+1.8
Estimating	-0.3	+20.4	-1.0	+19.1
Other	--	--	--	--
Support	--	+6.1	--	+6.1
Subtotal	-0.1	+66.8	--	+66.7
Total Changes	+25.3	+225.4	+44.1	+294.8
CE - Cost Variance	300.8	4924.6	110.5	5335.9
CE - Cost & Funding	300.8	4924.6	110.5	5335.9

Summary Base Year 2002 $M				
	RDT&E	Proc	MILCON	Total
SAR Baseline (Prod Est)	289.2	4177.1	62.7	4529.0
Previous Changes				
Economic	--	--	--	--
Quantity	--	-135.0	--	-135.0
Schedule	--	+8.5	--	+8.5
Engineering	+8.9	+322.2	--	+331.1
Estimating	+10.7	+4.0	-6.8	+7.9
Other	--	--	+41.1	+41.1
Support	--	-39.5	--	-39.5
Subtotal	+19.6	+160.2	+34.3	+214.1
Current Changes				
Economic	--	--	--	--
Quantity	--	+7.7	--	+7.7
Schedule	--	+0.2	--	+0.2
Engineering	--	+1.4	--	+1.4
Estimating	-0.4	+13.3	-0.8	+12.1
Other	--	--	--	--
Support	--	+2.4	--	+2.4
Subtotal	-0.4	+25.0	-0.8	+23.8
Total Changes	+19.2	+185.2	+33.5	+237.9
CE - Cost Variance	308.4	4362.3	96.2	4766.9
CE - Cost & Funding	308.4	4362.3	96.2	4766.9

Previous Estimate: December 2010

RDT&E	$M	
Current Change Explanations	Base Year	Then Year
Revised escalation indices. (Economic)	N/A	+0.2
Decrease due to higher Air Force priorities. (Air Force) (Estimating)	-0.3	-0.2
Adjustment for current and prior escalation. (Estimating)	-0.1	-0.1
RDT&E Subtotal	-0.4	-0.1

Procurement	$M	
Current Change Explanations	Base Year	Then Year
Revised escalation indices. (Economic)	N/A	+17.9
Total Quantity variance resulting from an increase of 2 T-6Bs from 295 to 297 (Navy). (Subtotal)	+9.1	+11.8
Quantity variance resulting from an increase of 2 T-6Bs from 295 to 297 (Navy). (Quantity)	(+7.7)	(+10.0)
Allocation to Schedule resulting from Quantity change. (Schedule) (QR)	(+0.2)	(+0.3)
Allocation to Engineering resulting from Quantity change. (Engineering) (QR)	(+1.4)	(+1.8)
Allocation to Estimating resulting from Quantity change. (Estimating) (QR)	(-0.2)	(-0.3)
Stretch-out of procurement buy profile from FY 2013 to FY 2014 (Navy). (Schedule)	0.0	+10.3
Decrease due to higher Air Force priorities. (Air Force) (Estimating)	-13.3	-16.5
Increase due to Congressional rescissions in FY 2011 and FY 2012. (Navy) (Estimating)	+40.8	+55.0
Adjustment for current and prior escalation. (Estimating)	-8.8	-11.3
Change in estimating assumptions resulting from inflationary guidance related to non-pay/non-fuel. (Air Force) (Estimating)	-0.5	-0.7
Change in estimating assumptions resulting from inflationary guidance related to non-pay/non-fuel. (Navy) (Estimating)	-5.4	-6.7
Increase to program for FY 2017 for corrections of deficiencies included in APB. (Air Force) (Estimating)	+0.7	+0.9
Adjustment for current and prior escalation. (Support)	-2.1	-2.2
Decrease in Other Support due to higher Air Force priorities (Air Force). (Support)	-0.5	-0.4
Decrease in Initial Spares due to higher Air Force priorities (Air Force). (Support)	-1.0	-1.1
Increase in Other Support for prior years correction (Navy). (Support)	+5.7	+8.6
Increase in Initial Spares (Navy). (Support)	+0.3	+1.2
Procurement Subtotal	+25.0	+66.8

(QR) Quantity Related

MILCON	$M	
Current Change Explanations	Base Year	Then Year
Revised escalation indices. (Economic)	N/A	+1.0
Adjustment for current and prior escalation. (Estimating)	-0.8	-1.0
MILCON Subtotal	-0.8	0.0

Contracts

Appropriation: RDT&E

Contract Name	**JPATS Follow-on Production Contract Lot 15**
Contractor	Hawker Beechcraft Corporation
Contractor Location	Wichita, KS 67201
Contract Number, Type	FA8617-07-D-6151/15, FFP
Award Date	October 04, 2007
Definitization Date	March 28, 2008

Initial Contract Price ($M)			Current Contract Price ($M)			Estimated Price At Completion ($M)	
Target	Ceiling	Qty	Target	Ceiling	Qty	Contractor	Program Manager
438.9	N/A	83	492.6	N/A	83	492.6	492.6

Variance	Cost Variance	Schedule Variance
Cumulative Variances To Date	0.0	0.0
Previous Cumulative Variances	--	--
Net Change	+0.0	+0.0

Cost And Schedule Variance Explanations

None

Contract Comments

The difference between the initial contract price target and the current contract price target is due to engineering and contract change proposal activities.

This contract is more than 90% complete; therefore, this is the final report for this contract.

Appropriation: RDT&E

Contract Name	**JPATS Follow-on Production Contract Lot 16**
Contractor	Hawker Beechcraft Corporation
Contractor Location	Wichita, KS 67201
Contract Number, Type	FA8617-07-D-6151/16, FFP
Award Date	February 24, 2009
Definitization Date	February 24, 2009

Initial Contract Price ($M)			Current Contract Price ($M)			Estimated Price At Completion ($M)	
Target	Ceiling	Qty	Target	Ceiling	Qty	Contractor	Program Manager
263.9	N/A	43	293.6	N/A	43	293.6	293.6

Variance	Cost Variance	Schedule Variance
Cumulative Variances To Date	0.0	0.0
Previous Cumulative Variances	--	--
Net Change	+0.0	+0.0

Cost And Schedule Variance Explanations

None

Contract Comments

The difference between the initial contract price target and the current contract price target is due to

Current target price increase is due to engineering and contract change proposal activities.

This contract is more than 90% complete; therefore, this is the final report for this contract.

Appropriation: Procurement

Contract Name	**JPATS Follow-on Production Contract Lot 17**
Contractor	Hawker Beechcraft Defense Corporation
Contractor Location	Wichita, KS 67201
Contract Number, Type	FA8617-07-D-6151/17, FFP
Award Date	February 18, 2011
Definitization Date	March 31, 2011

Initial Contract Price ($M)			Current Contract Price ($M)			Estimated Price At Completion ($M)	
Target	Ceiling	Qty	Target	Ceiling	Qty	Contractor	Program Manager
255.9	N/A	36	255.9	N/A	36	255.9	255.9

Cost And Schedule Variance Explanations

Cost and Schedule variance reporting is not required on this FFP contract.

Contract Comments

This contract includes both Aircrew Training Devices and Aircraft for Lot 17.

Appropriation: Procurement

Contract Name	**JPATS Follow-on Production Contract Lot 18**
Contractor	Hawker Beechcraft Defense Corporation
Contractor Location	Wichita, KS 67201
Contract Number, Type	FA8617-07-D-6151/18, FFP
Award Date	January 19, 2012
Definitization Date	January 19, 2012

Initial Contract Price ($M)			Current Contract Price ($M)			Estimated Price At Completion ($M)	
Target	Ceiling	Qty	Target	Ceiling	Qty	Contractor	Program Manager
195.3	N/A	36	195.3	N/A	36	195.3	195.3

Cost And Schedule Variance Explanations

Cost and Schedule variance reporting is not required on this FFP contract.

Contract Comments

This is the first time this contract is being reported. Contract awarded on January 19, 2012.

Deliveries and Expenditures

Deliveries To Date	Plan To Date	Actual To Date	Total Quantity	Percent Delivered
Development	1	1	1	100.00%
Production	603	617	749	82.38%
Total Program Quantities Delivered	604	618	750	82.40%

Expenditures and Appropriations (TY $M)			
Total Acquisition Cost	5335.9	Years Appropriated	21
Expenditures To Date	3991.6	Percent Years Appropriated	80.77%
Percent Expended	74.81%	Appropriated to Date	4659.7
Total Funding Years	26	Percent Appropriated	87.33%

Aircraft deliveries and expenditures as of January 30, 2012.

Operating and Support Cost

Assumptions And Ground Rules

The operating and support (O&S) costs are based on the purchase of 749 operational aircraft, 126 Aircrew Training Devices (ATDs), Training Integration Management System (TIMS), development and conversion courseware, and Contractor Logistic Support (CLS) which will be provided by Hawker Beechcraft Defense Corporation, LLC.

This section consists of seven elements. Unit-Level Manpower includes the cost of military and civilian system-related personnel involved in the operation of this system. Unit Operations include the cost of fuel resources and unit level consumables.

The JPATS logistics support concept assumes that organizational, intermediate and depot support are CLS; therefore, there is no additional cost for intermediate or depot level maintenance. Maintenance costs for CLS include contract labor, materials, and overhead incurred in providing the logistics support required by an aircraft system, subsystem or associated support equipment. Ground Based Training System (GBTS) CLS support is provided separately.

Sustaining Support includes the costs of replacement support equipment, modification kits, sustaining engineering, software maintenance, and simulator operations for the aircraft system. Indirect Support includes the costs of personnel support for specialty training, permanent changes of station, and medical care.

The antecedent system is the T-37 for the Air Force and T-34 for the Navy. At the JPATS Milestone I decision, the requirement for a Cost/Operational Effectiveness Analysis (COEA) was waived due to the streamlining initiatives for pilot programs. Thus, the direct comparison to the antecedent systems was not prepared. Program Authorized Aircraft of 346 was used to determine the antecedent steady state year cost per aircraft.

O&S cost elements are combined Air Force and Navy requirements for the Air Vehicle and GBTS for a typical steady state operating year (post Full Operational Capability) in Base Year 2002 dollars. Source for all costs is the JPATS Program Office Estimate (POE) dated January 2012.

The $449.4M reflects the 2012 JPATS POE annual steady state cost for both the Air Force and Navy during the FY 2016-2024 timeframe when all 749 production aircraft are in operation. Due to the varying timelines for major time change and inspection items, this value is the average during the full operations timeframe and not the specific value in each year. The $11,673.8M reflects the costs of operating both fleets during their useful life as reflected in the projected buy/delivery profiles at the time of the estimate. Total O&S costs do not include the cost of disposal or demilitarization. Useful life for the Air Force is FY 2000-2035 (36 years), and FY 2003-2039 for the Navy (37 years.)

JPATS per unit aircraft cost of $0.6M is for a steady state period of 8 years, while total O&S costs are for the program duration of 36 years. Total O&S costs also include ramp up and ramp down costs that would not be in the steady state per unit cost. Therefore, the product of per unit aircraft cost, number of aircraft, and steady state period will not equal the total O&S costs.

Continued budgetary constraints will negatively impact the ability to meet the requirements of JPATS O&S.

Costs BY2002 $M		
Cost Element	**JPATS per steady state year (per aircraft)**	**Antecedent: T-37 Only per steady state year (AF only - per aircraft)**
Unit-Level Manpower	0.26	0.26
Unit Operations	0.07	0.31
Maintenance	0.13	0.02
Sustaining Support	0.09	0.11
Continuing System Improvements	--	0.00
Indirect Support	0.04	0.20
Other	0.01	0.00
Total Unitized Cost (Base Year 2002 $)	0.60	0.90

Total O&S Costs $M	JPATS	Antecedent: T-37 Only
Base Year	11697.8	--
Then Year	19448.8	--